

Message Text

LIMITED OFFICIAL USE

PAGE 01 ABIDJA 08375 301907Z

15

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 EUR-12 L-03 PRS-01 AID-05 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 STR-04

/069 W

----- 055402

R 301407Z SEP 75

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 5291

INFO AMEMBASSY NAIROBI

LIMITED OFFICIAL USE ABIDJAN 8375

DEPT PASS EXIM BANK AND OPIC

E.O. 11652: N/A

TAGS: EFIN, EIND, APAP, US, IV

SUBJECT: FNCB OPENS FIRST NON-FRENCH BANK

BRANCH IN IVORY COAST

1. AFTER INTENSIVE EFFORTS BY SEVERAL US BANKS,GOING BACK SOME YEARS(IN ORE CASE AS FAR BACK AS 1967), TO ESTABLISH A BRANCH BANK IN IVORY COAST, SECRETARY OF STATE FOR THE BUDGET, MINISTRY OF ECONOMY AND FINANCE, ABDOULAYE KONE,ON SEPTEMBER 23, 1975, CUT THE RIBBON, SYMBOLICALLY OPENING FIRST NATIONAL CITY BANK'S WHOLLY-OWNED BRANCH BANK IN THE IVORY COAST. PARTICIPATING IN CEREMONY WERE DIRECTOR, IVORIAN CENTRAL BANK,OTHER IVORIAN BANKERS AND AMBASSADOR. THIS IS THE FIRST TIME THE IVORY COAST HAS PERMITTED A NON-FRENCH BANK TO OPEN A BRANCH HERE,THOUGH BANCO REAL, S.A., A SUBSIDIARY OF BANCO DE BRAZIL, HAS ESTABLISHED A REPRESENTATIVE OFFICE IN IVORY COAST.

2. DIRECTOR GENERAL OF FNCB BRANCH IN IVORY COAST IS MR.JOE PEGUES, VICE PRESIDENT, FNCB NEW YORK, WHO, IN REMARKABLY

LIMITED OFFICIAL USE

PAGE 02 ABIDJA 08375 301907Z

SHORT TIME,(HE HAS BEEN HERE SINCE JANUARY) HAS GAINED A SOLID

REPUTATION WITH GOIC OFFICIALS AND LOCAL BUSINESSMEN. THE GROUND WAS CAREFULLY LAID FOR THE ESTABLISHMENT OF THE BRANCH. FNCB NEW YORK LOAN ACTIVITY IN IVORY COAST HAS BEEN ON UPSWING SINCE 1969, AND THE LOAN PORTFOLIO NOW AMOUNTS TO BETWEEN 85 MILLION DOLLARS AND 100 MILLION DOLLARS. FNCB IVORY COAST WILL NOW BE CONTROL CENTER FOR THESE LOANS. THE BRANCH HAS CAPITALIZED AT 300 MILLION CFAF, THE MINIMUM REQUIRED BY IVORIAN BANKING LAW.

3. FNCB IVORY COAST WILL FUNCTION AS AN INVESTMENT BANK. IT WILL ACCEPT CORPORATE ACCOUNTS RELATED TO INVESTMENT PROJECTS SUPPORTED BY BRANCH AND GOIC ACCOUNTS AS WELL. PEGUES REFERS TO THE BRANCH AS A "CORPORATE CREDIT BANK." THERE IS NO PUBLIC WINDOW, AND THE BRANCH IS NOT A "WALK-IN" (IT IS, IN FACT, NINE FLIGHTS UP). PEGUES WILL HANDLE A SMALL RETAIL TRADE, BUT HE IS DEFINITELY NOT COMPETING WITH FRENCH COMMERCIAL BANKS FOR "MAN OFF THE STREET" DEPOSITS OR LOANS. THIS IS SELF-IMPOSED LIMITATION, SINCE NEW IVORIAN BANKING LAW REMOVED DISTINCTION BETWEEN INVESTMENT BANK AND COMMERCIAL BANK. UNDER NEW LAW, FNCB COULD OFFER FULL RANGE OF SERVICES OF BOTH TYPES OF BANK. PEGUES, HOWEVER, IS WELL AWARE OF HOW FRENCH CONDUCT BUSINESS, AND THAT FRENCH COMMERCIAL BANKS ARE VERY NERVOUS ABOUT FNCB PRESENCE HERE.

4. FRENCH PUT INTENSIVE PRESSURE ON KONAN BEDIÉ, MINISTER OF ECONOMY AND FINANCE, NOT TO PERMIT BRANCH TO OPEN, BUT PATIENT NEGOTIATION BY PEGUES, MR. ROBERT E. GRANT (VICE PRESIDENT, FNCB NY AND CHIEF FNCB NAIROBI, WHICH MANAGES FNCB AFRICA, EXCEPT SOUTH AFRICA AND RHODESIA) AND OTHERS, CAREFUL BUILDUP LOAN ACTIVITY HERE IN SUPPORT OF IVORY COAST'S DEVELOPMENT PROGRAM, AND FAVORABLE DISPOSITION OF BEDIÉ AND ESPECIALLY OF PRESIDENT HOUPHOUËT BOIGNY TOWARD FNCB WON OUT. EMBASSY BELIEVES ESTABLISHMENT OF FNCB HERE IS MAJOR BREAKTHROUGH FOR US INVESTMENT AND COMMERCIAL INTERESTS.

5. ONE SMALL CLOUD IS THAT IN WEEK SINCE OPENING AND DESPITE PRESENCE OF LOCAL NEWSPAPER REPORTERS AND PHOTOGRAPHERS, NOTHING ON OPENING HAS APPEARED IN FRATERNITÉ MATIN. IVORIAN SENSITIVITIES LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ABIDJA 08375 301907Z

TO FRENCH BANKERS MAY BE READ INTO THIS.
SMITH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ESTABLISHMENT OF OFFICES, BANKS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ABIDJA08375
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750339-0509
From: ABIDJAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975093/aaaaabzi.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 26 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 AUG 2003 by CunninFX>; APPROVED <11 DEC 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FNCB OPENS FIRST NON-FRENCH BANK BRANCH IN IVORY COAST
TAGS: EFIN, EIND, US, IV
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006